



For Release: December 19, 2012

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NEWS

DEC 19 2012

PUBLIC SERVICE COMMISSION

Minnesota Power adds 210 megawatts of clean, low-cost wind energy generation to serve its customers

Duluth, Minn.—Minnesota Power, a division of ALLETE, Inc. (NYSE: ALE) has reached a significant milestone in its energy supply diversification strategy with the completion of phases two and three of the company's Bison Wind Energy Center. The 210-megawatt (MW) renewable energy installations near New Salem, N.D., are now operational and the commissioning process has been completed.

Bison 2 and 3 consist of 70 wind turbine generators, each capable of producing three MW of electric power by way of direct-drive turbines manufactured by Siemens AG. The turbines are installed atop 265-foot towers in south-central North Dakota.

"Like our nation, our company is in the midst of a major transition to ensure a more balanced energy supply," said Alan R. Hodnik, ALLETE chairman, president and chief executive officer. "Investment in cost-effective emission-free wind energy is an important component of ALLETE's overall growth strategy to meet the needs of a changing energy landscape."

Minnesota Power is moving the wind energy from North Dakota to Duluth, Minn., over a 465-mile direct current transmission line that the company purchased in 2009. That purchase enabled Minnesota Power to phase out a long-term contract to buy coal-based electricity from the Young Station in Center, N.D., and replace it with wind energy.

A meticulous commissioning process for Bison 2 and 3 involving personnel from Minnesota Power and Siemens was completed this week. The final stage of the launch involves control testing that demonstrates that the Bison project can function as a "wind park," with all three phases working together.

MISO, a regional organization overseeing electric transmission in 11 U.S. states and Manitoba, will be involved in integrating the completed wind park into the regional power grid.

Minnesota Power's Bison project was launched in 2010. The 82-MW Bison 1 wind farm consisting of 31 turbines was built over two years. This year, the Duluth-based electric utility erected an additional 70 towers. The accelerated timetable is largely due to the scheduled expiration of a production tax credit on wind generation at the end of 2012.

"By meeting an aggressive timetable we are able to capitalize on the wind production tax credits to the benefit of our customers in providing a clean, cost-effective energy resource," said Minnesota Power Chief Operating Officer Brad Oachs.

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Since 2005, Minnesota Power has been rebalancing its energy supply mix in ways that are smart, sensible and sustainable for its customers and the environment. With the addition of Bison 2 and 3 the company has achieved a 20 percent renewable mix and is well on its way to meeting Minnesota's renewable energy goal that utilities provide 25 percent of their energy through renewable means by 2025. The company entered the wind energy business in 2006 and 2007 when it began purchasing the entire 98-MW output of the Oliver 1 and Oliver 2 wind farms built and operated by NextEra Energy in North Dakota. In 2008, Minnesota Power built its first wind farm, the 25-MW Taconite Ridge, on property owned by its largest electric customer, U.S. Steel, in Mountain Iron, Minn.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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